

### REMARKS

This response follows a telephone conversation on April 16, 2003 between attorney for applicants James J. Woods (Reg. No. 47,184) and Examiner Akiba Robinson-Boyce. After attorney for applicants explained the status and prosecution developments in this case, the Examiner recommended that applicants file a response, and indicated that she would review the case carefully upon receipt of this response. The Examiner also indicated that attorney for applicants should reference that conversation in this response. As explained during the telephone conversation, applicants believe that the pending claims are patentable over the cited references, and would like to avoid the need to appeal the case. Additionally, since the present Office Action is made final, the applicants respectfully request that the Examiner inform the applicants of her decision as soon as possible to allow the applicants to take action accordingly.

Claims 1, 3-9, and 11-14 remain pending in this application.

The following is a summary of some prosecution developments. A Request for Continued Examination (RCE) was filed on February 19, 2002. On April 4, 2002, attorneys for applicants James J. Woods and Seth H. Ostrow (Reg. No. 37,410) interviewed with Examiner Susanne Diaz regarding this application. Examiner Diaz' Interview Summary indicates that agreement was reached regarding the claims, that the Examiner will withdraw all pending art rejections, and that an updated search will be performed and the Examiner will then respond accordingly. The art applied prior to the Interview included U.S. Patent No. 4,412,287 to Braddock, III, U.S. Patent No. 5,237,500 to Perg et al., and U.S. Patent No. 5,826,241 to Stein et al.



Following the above Interview, in the Office Action dated May 9, 2002, the Braddock III and Perg et al. references were no longer applied, but claims 1-14 were rejected over newly applied references including U.S. Patent No. 3,581,072 to Nemeyer, U.S. Patent No. 5,819,238 to L'ernholtz, as well as the previously applied Stein et al. reference. Applicants responded with an Amendment and Response to Office Action dated September 9, 2002 arguing that the claims are patentable over the newly applied references as well as Stein et al., but in the present Office Action, applicants arguments were not accepted. Applicants continue to be convinced that the claims are patentable over the cited references.

In the "Response to Argument" section of the Office Action, the Examiner indicates that Nymeyer discloses the step of "automatically generating buy orders and sell orders." The Examiner indicates that closing price incrementation and reduction represent additional buy and sell orders because the incrementation or reduction would change the value of the buy or sell order for a particular closing price.

The applicants respectfully submit that this characterization is not accurate. Rather than disclosing generating orders, Nymeyer merely discusses a method of determining a proper entered price for an *existing* "at market" bid, which can entail incrementation or decrementation based on evolving auction conditions. In addition to passages of Nymeyer discussed below, the applicants point out Nymeyer, Col. 7, lines 40-63. At Col. 7, lines 49-57, which reads:

"... Thus, the "at market" bids and offers should be entered in the sequencers 28 and 29 approximately at the previous \$18.00 price, but with an effective trading range.

One manner at which this can be done is to enter the "at market" buy orders at a price slightly higher than the last sale price; in the previous example, a price of \$18.25 is employed. If this is done, the sell orders should be entered at a price correspondingly lower than the last sale price as, for example, \$17.75."

Nymeyer also reads, at Col. 7, line 74 – Col. 8, line 2, with respect to entry of at market orders,

“[t]his is done because the placing of these orders “at market” clearly indicates the willingness to pay at least a minimum increment of additional price over the last closing price”

As the above indicates, by incrementing and decrementing “at market” order prices, Nymeyer is merely setting an appropriate price for a *placed* “at market” bid or order. As such, the applicants continue to assert that Nymeyer does not disclose or suggest, among other things, automatically generating additional buy or sell orders for an instrument to guarantee execution of some or all of received buy or sell orders.

Also in the “Response to Argument” section of the Office Action, the Examiner indicates that, in spite of applicants’ previous arguments, Fernholtz discloses generating electronic currency. The applicants submit that, by merely disclosing electronic *transfer* of funds, Fernholtz does not disclose, among other things, *automatically generating* an electronic currency to execute the buy and sell orders.

Specifically, in the present Office Action, claims 1, 3, 8, 11, and 13-14 were rejected under 35 U.S.C. § 103 as being obvious over Nymeyer in view of Fernholtz, and claims 4-7 and 12 were rejected under 35 U.S.C. § 103 as being obvious over Nymeyer in view of Fernholtz and Stein et al. These rejections are respectfully traversed and reconsideration is requested in view of the following.

Claims 1, 3, 8, 11, and 13-14 were rejected under 35 U.S.C. § 103 as being obvious over Nymeyer in view of Fernholtz. This rejection is respectfully traversed.

Nymeyer discusses a computer system for determining market prices in an auction market by evaluating buy and sell orders. As disclosed in the Abstract section of Nymeyer, "[t]he prices accompanying the last pair of orders to be matched are then used to establish a trading price. . . ."

Fernholtz discusses an automated securities portfolio management system that issues trades to modify a portfolio. Based on security price information input into the system and utilizing weights and indices calculated from such price information, the system determines and issues what the system calculates to be appropriate market orders for modifying the portfolio.

The Examiner cites Nymeyer, Col. 7, lines 64-74; Abstract, lines 1-3; and Col. 11 Line 68 to Col. 12, line 3. As indicted as follows, each of the cited passages describes a system in which a last pair of orders is utilized in determining a market, or trading, price. A relevant passage from the Abstract section of Nymeyer is cited above. At Col. 7, lines 64-74, Nymeyer discusses a technique for utilizing a last sell price in the determining a market price. With regard to Nymeyer, Col. 11, line 68 to Col. 12, line 3, Nymeyer states, at lines 68-70, "[a]s pointed out above, the 'at market' orders are effectively entered in to the computation system at prices determined by the last selling price for the goods."

Particularly, the Examiner cites Nymeyer, Col. 11 line 68 to Col. 12, line 3 with reference to, "automatically generating additional buy orders or sell orders. . . ." The cited passage discusses prices at which "at market" orders are effectively entered into the computation system. The "at market" orders are orders *received by the system*. See e.g., Nymeyer, Col. 5, lines 39-40, and Col. 5, lines 64-66.

The Examiner indicates that Nymeyer does not disclose "generating the electronic currency" and "crediting/debiting," but cites Fernholtz, Col. 12, lines 16-17 in this regard, indicating that Fernholtz discloses the custodial bank holding electronic cash which is distributed for trade purposes. The Examiner further indicates that generating electronic currency and crediting/debiting would have been obvious to one of ordinary skill in the art.

Fernholtz, at Col. 12, lines 16-17, merely indicates that a custodial bank can hold securities and cash in electronic form. Fernholtz indicates that shareholder records can be updated to reflect changes in share ownership and dividend payments to shareholders. See Fernholtz, Col. 11, line 64 to Col. 12, line 17. By disclosing such activities, Fernholtz does not suggest *generating* electronic currency.

For at least the reasons discussed above, neither Nymeyer nor Fernholtz, alone or in combination, disclose or suggest, as set forth in applicants claims 1, 9, and 14, automatically generating additional buy or sell orders for an instrument to guarantee execution of some or all of received buy or sell orders. Additionally, neither Nymeyer nor Fernholtz, alone or in combination, disclose or suggest, as set forth in applicants claims 1, 9, and 14, automatically generating an electronic currency to execute the buy and sell orders.

For at least these reasons, independent claims 1, 9 and 14 are patentable over the cited references. Furthermore, dependent claims 3, 8, 11, and 13, which depend either directly or indirectly from claims 1 and 9, are also patentable. Therefore, claims 1, 3, 8-9, 11 and 13-14 are patentable over the cited references, and the applicants respectfully request that the Examiner withdraw the rejection and allow the claims.

The Examiner rejected claims 4-7 and 12 as being obvious over Nymeyer in view of Fernholtz, and further in view of Stein et al. This rejection is respectfully traversed and reconsideration is requested as explained below.

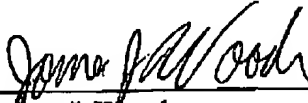
Nymeyer and Fernholtz have been discussed above. Stein et al. discloses a computerized system for making payments and authenticating transactions over the Internet. As discussed above, neither Nymeyer or Fernholtz disclose or suggest, as set forth in applicants claims 1 and 9, automatically generating additional buy or sell orders for an instrument to guarantee execution of some or all of received buy or sell orders, and Stein et al. does not supply this missing feature. Additionally, as discussed above, neither Nymeyer nor Fernholtz, alone or in combination, disclose or suggest, as set forth in applicants claims 1, and 9, automatically generating an electronic currency to execute the buy and sell orders, and Stein et al. does not supply this missing feature either.

For at least the above reasons, independent claims 1 and 9 are patentable over the cited references. Furthermore, dependent claims 4-7 and 12, which depend either directly or indirectly from claims 1 and 9, are also patentable, and the applicants respectfully request that the Examiner withdraw the rejection and allow the claims.

For all of the above reasons, the applicants respectfully request that the Examiner withdraw all of the rejections, and allowance of all the pending claims is respectfully solicited. To expedite prosecution of this application to allowance, the examiner is invited to call the applicants' undersigned representative at 212-895-2007 to discuss any issues relating to this application.

Respectfully submitted,

Dated: July 30, 2003



James J. Woods

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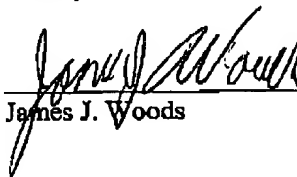
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I hereby certify that the correspondence attached  
herewith is being transmitted by facsimile (703) 746-7238,  
to the Mail Stop AF, Commissioner for Patents, P.O. Box 1450,  
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July 30, 2003

Date of Facsimile



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